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HUNGARY NO LONGER DEPENDENT ON IMPORTS;
IS UNABLE TO MEET SOVIET OBLIGATIONS

INNOVATIONS TO REPLACE FOREIGN RAW MATERIALS -- Budapest, Fuggetlen Magyarorszag,
 5 Mar 51

Lumber used in mines has always been an important import item in Hungary. Numerous mining innovations now greatly reduce the need for it, thereby saving a substantial amount of foreign exchange.

It is significant that carborundum, one of the most important items imported, is now produced from available Hungarian materials. The synthetic carborundum is composed of alumina and bauxite and is made into abrasive powder and grindstones.

Synthetic shellac has been produced to replace the imported shellac, very important in the lumber industry. Synthetic electrode-carbon required for carbon brushes and electrodes has been prepared.

Furnace coke was imported up to the present. By the end of the Five-Year Plan, Hungary will produce enough coke to satisfy its requirements. In the past, coke was dumped. At present, it is used in the manufacture of cement, furnace bricks, insulating slag, mineral wool, and synthetic materials used in the manufacture of glass.

In the case of coupling much pipes used in mines, it was proposed that aluminum be used instead of imported lead.

The electrical industry now operates with synthetic insulating materials.

The tanning of leather is now accomplished without the imported tanning materials. The tanning material used is recovered from the waste water of paper factories.

A fire-resistant brick is in use which, in a simple way, transforms wood-burning stoves into coal-burning ones. This means significant savings in wood.

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The construction industry now uses dolomite in cement, replacing imported magnesite.

Lye-resistant paper has been imported up to the present, but a way has now been found to produce it from domestic materials. Also, synthetic wax and plastic materials have been produced.

At the Matyas Rakosi Works, the use of imported graphite crucibles has been eliminated. The crucibles have been replaced by high-frequency smelting furnaces.

The above list of innovations means a great savings for the national economy.

REPORTS HUNGARY CANNOT FULFILL REPARATIONS DELIVERIES TO USSR -- Stockholm, Svensk Utrikeshandel, No 23, 15 Dec 50

According to The Observer, Professor E. Varga, who went to Hungary in May 1950, has returned to the USSR with a report that Hungary is unable to maintain reparations deliveries to the USSR during the current year and that there is also no possibility that Hungary will be able to fulfill the trade agreement with the USSR.

According to Hungarian sources, the main reasons for Hungary's increased economic difficulties are: (1) Hungary's industrial equipment is worn out; practically no replacement has taken place since 1939; (2) the decline in trade with Western Europe has affected the country's normal economic life adversely; (3) the sudden rupture with Yugoslavia has injured Hungary's economy as much as it has Yugoslavia's; (4) the rapid socialization of all large industries has caused disruption and loss; and (5) extreme work norms imposed on industrial workers have lowered morale and efficiency.

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